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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 002487

SIPDIS

DEPARTMENT FOR MICHAEL CORBIN, NEA/I.

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SUBJECT: AHMED CHALABI DISCUSSES HIS NEW POLITICAL ALLIANCE
WITH ISCI AND SADR

REF: BAGHDAD 2288

Classified By: Political Minister Counselor Gary A. Grappo for reasons
1.4 (b) and (d)

¶1. (C) SUMMARY: During a September 12 meeting with POL M/C, Ahmed Chalabi, head of the Iraqi National Congress party and member of the newly-formed and predominantly Shia Iraqi National Alliance (INA) (see reftel), criticized the GOI and PM Maliki for failing to govern effectively. He said the INA's election platform would be based on national unity and "good governance," focusing on three major pillars: constitutional priorities, regional relations, and quality of life improvements for Iraqis. Hailing former PM Jafari as "my candidate", Chalabi acknowledged the INA's interest in courting Sunni parties and downplayed Maliki's chances for victory in January. He claimed that Syria was opposed to a cross-sectarian alliance and was actively encouraging a unified Sunni political front against Maliki and the INA. Chalabi expected Iranian influence in Iraq would remain strong, but could be tempered by other regional players such as Turkey, given the latter's economic and political ties to Iraq and the region. END SUMMARY

Maliki's Governing Failures

¶2. (C) On September 12, Ahmed Chalabi met with POL M/C and Emboffs to discuss his new political alliance with the INA, a predominantly Shia coalition comprised of the Islamic Supreme Council of Iraq (ISCI), Sadrist, National Reform Trend (Ibrahim Jafari) and other lesser known political groups.

¶3. (C) A long-time critic of the Maliki government, Chalabi accused Maliki of failing to govern effectively, citing rampant corruption as just one example of GOI failures. Chalabi criticized the GOI for allegedly mismanaging billions of dollars in trade and defense contracts, while praising Jafari's administration for combating corruption through effective government oversight. Mismanagement of water resources, the lack of liquidity in the banking sector, payment defaults (i.e, GE turbines purchase), abysmal public services, and inadequate incentives for foreign investment were "just a few of the problems" weighing down the GOI and hindering progress in Iraq, Chalabi said.

National Unity and Competence

¶4. (C) Chalabi explained that in contrast to Maliki's failed agenda, the INA would focus on national unity and administrative competence with a political platform based on three main issues: (1) constitutional priorities, including Article 140, division of power among branches of government, and natural resources; (2) Iraq's foreign policy and role in the region; and (3) improving the quality of life for Iraqis through more equitable wealth distribution and services. He

cautioned that the desire to secure votes (i.e., along sectarian loyalties) would ultimately drive the political calculus for the INA and other parties Q their bid to build nationalistic coalitions. "We are facing a conundrum," Chalabi declared; "Votes come from sectarian lines, and it is up to Iraq's failed political class to bring a non-sectarian government from a sectarian parliament." Chalabi, with no apparent irony intended, criticized the U.S. occupation for "hindering" the emergence of a liberal government in Iraq.

Sadrists Are Behaving

¶5. (C) Chalabi commented that both ISCI and the Sadrists recognize and accept their administrative shortfalls and have acknowledged the need for an effective administrator in a Qacknowledged the need for an effective administrator in a future INA-led government. "Foreign powers are only interested in politics, not administration," Chalabi commented, adding that "Jafari is my candidate (for PM). Let's see if we can make it happen."

¶6. (C) Chalabi characterized new ISCI Chairman Ammar al-Hakim as "having no ambition to be the preeminent presence in the INA like his father." Chalabi thought the Sadrists were behaving "so far" and have appointed a moderate interlocutor, Abu Shujaa (NFI), whom Chalabi described as "rational and politically astute."

¶7. (C) Regarding cross-sectarian electoral alliances, Chalabi questioned Maliki's efforts to court Sunnis, stating that Syria was urging Sunni parties to forego alliances with

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Maliki and form a unified bloc of their own. Despite these efforts, the INA was making in-roads with Sunnis from Basrah, Kirkuk, Anbar, and Salahadin in an effort to expand the alliance's cross-sectarian power base, Chalabi noted. However, Sunnis in Mosul were reluctant and fearful of Al-Qaeda reprisals were they to join a Shia-led coalition. If Sunnis were to join, moreover, they risked losing votes from their base. Chalabi predicted that approximately 20 seats in the next parliament will go to former Baathists, many of whom were actively lobbying various Sunni groups for support.

¶8. (C) Chalabi did not object to the suggestion that INA publicly support an open list, but cautioned that doing so would force the INA to go against the Kurds who, he claimed, support a closed list. "You must convince the Kurds first and then the Shia will be willing to go along. We don't want to upset the Kurds given our historic ties with them," Chalabi explained.

Iran and Turkey

¶9. (C) Justifying the need for peaceful relations with Iraq's neighbors, Chalabi acknowledged Iran's strong influence in Iraq as a fact of life, pointing out that 80 percent of Iraqis live within 150 km of the Iranian border. However, he suggested that Turkey, given its economic and political ties to the West, could serve as a viable regional partner for Iraq and counterbalance to Iran. According to Chalabi 20 percent of Iraqis live within 150 km of Turkey, and less than one percent live similar distances from the KSA and Jordan.

¶10. (C) Chalabi applauded "negotiations" between the USG and Iran as a positive step. Pol M/C clarified that despite the USG's best efforts, the Iranian government had yet to accept the pending offer of direct negotiations. Chalabi predicted Tehran would eventually agree to talk. He lamented the lack of public apprqiation for the USG's role in discouraging an Israeli attack against Iran or the recent release of Iranian

detainees from U.S. military custody in Iraq.

Comment

¶11. (C) Chalabi, a political survivor and chameleon, was most vocal in his criticism of the country's economic paralysis and rampant corruption. Confident about the INA's chances for success and his own political resurgence, he appeared somewhat indifferent to Maliki's political machinations, preferring instead to highlight the PM's governing failures in contrast to the INA's core agenda of competence and national unity. Despite his self-declared support for Jafari, we cannot dismiss, or underestimate, Chalabi's own political ambitions and lingering desire to emerge as the INA's leading candidate for prime minister in a future government. His revelation that effectively all Iraqi politics are sectarian may indicate why he, a professed secularist, has decided to cast his lot with Iraq's best known sectarian coalition.

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